

**Exhibit A**

Flow of Rum Taxes

U.S.C. § 5001(a)(1)  
**(“Rum Taxes”)**

**CW Lockbox (held by Citi)**

Federal Government covers the Rum Taxes to the treasury of Puerto Rico with no strings attached. 26 U.S.C. § 7652 (“**Rum Tax Remittances**” or “**Offshore Excise Taxes**”). Treasury deposits the Rum Tax Remittances into Commonwealth Lockbox Account pursuant to Lockbox Agreement<sup>2</sup> for the benefit of, among others, rum producers.

Pursuant to the Trust Agreement<sup>1</sup> “Offshore Excise Taxes” shall mean the federal excise taxes on rum and other articles produced in Puerto Rico and sold in the United States that are collected by the United States government *and* remitted to the Puerto Rico Treasury Department pursuant to the Code and other provisions of law.

Trust Agreement §101

46% of Rum Tax Remittances to Rum Producers pursuant to Lockbox Agreement

**TSA (held by CW)**

Lockbox Trustee (Citibank) remits up to the first \$117m of Rum Tax Remittances to the TSA where it is commingled with other funds

**PRIFA Infra. Fund (held by PRIFA)**

Pursuant to Trust Agreement §401  
 “The Authority shall not pledge or create any liens upon any moneys in the Puerto Rico Infrastructure Fund”

Historically, the Commonwealth appropriated \$117m and deposited such monies into the PRIFA Infrastructure Fund for its “corporate purposes” and subject to Section 8 Article IV of PR Constitution. 3 L.P.R.A. § 1914.  
**(“Special Tax Revenues”)**

**Enabling Act appropriation**

“Special Tax Revenues” shall mean the Offshore Excise Taxes deposited to the credit of the Puerto Rico Infrastructure Fund pursuant to the Act. Trust Agreement §101

**PRIFA Bondholder security interest and recourse limited to Sinking Fund**

**Sinking Fund (held by Trustee in trust)**

Section 401 requires PRIFA, as promptly as practicable upon receipt of Special Tax Revenues, to withdraw Special Tax Revenues from the Infra. Fund and deposit them into one of three Sinking Fund sub-accounts. (“**Pledged Revenues**”)

“Pledged Revenues” shall mean the Special Tax Revenues and any other moneys that have been deposited to the credit of the Sinking Fund. Trust Agreement §101

Bonds “are payable solely from the Pledged Revenues, which Pledged Revenues are hereby pledged to the payment thereof in the manner and to the extent hereinabove particularly specified”

Trust Agreement § 601

1. Oct. 1, 1988 Trust Agreement between PRIFA and Citibank, N.A. (as Trustee)

2. May 5, 2015 Lockbox Agreement between Government of Puerto Rico, Banco Popular (as trustee), and Citibank, N.A. (as paying agent)